



Credit Unions Act 1979

1979 CHAPTER 34

Powers of registrar

19 Power to suspend operations of credit union

- (1) If, with respect to any credit union, the chief registrar considers it expedient to do so having regard to the interests of all the members of the credit union or in the interests of potential members of the credit union, he may, with the consent of the Treasury, give a direction prohibiting the credit union to such extent and subject to such conditions as may be specified in the direction from carrying on any one or more of the following activities, that is to say.—
 - (a) borrowing money;
 - (b) accepting a payment representing the whole or any part of an amount due by way of subscription for a share in the credit union other than a payment which fell due before the making of the order;
 - (c) lending money ; and
 - (d) repaying share capital;and Schedule 2 to this Act shall have effect in relation to the giving of a direction under this section.
- (2) Nothing in any direction given under this section shall make it unlawful for a credit union to borrow from an authorised bank if the credit union has obtained the consent in writing of the chief registrar.
- (3) For the purposes of this section, and of any direction given under it, if any indebtedness of a member to a credit union is set off to any extent against the share capital credited to him, then, to that extent, the setting off shall be treated as a repayment of that share capital.
- (4) A direction given under this section may be revoked by the chief registrar with the consent of the Treasury and notice of the revocation shall be published in the same manner as notice of the giving of the direction.
- (5) Where a direction under this section is revoked, any obligation of any person to make a payment to the credit union which fell due at a time when the credit union was

Status: This is the original version (as it was originally enacted).

prohibited by the direction from accepting it shall be suspended for a period equal to the period for which the prohibition was in force.

- (6) Subject to subsection (5) above, any obligation to make to a credit union a payment which the credit union is prohibited from accepting by a direction under this section shall be wholly rescinded.
- (7) If a credit union contravenes a direction under this section it shall be guilty of an offence and liable on conviction on indictment or on summary conviction to a fine which on summary conviction shall not exceed the statutory maximum.